

In April of 2015, the DPOR website about the maximum allowable fees adjusted based on the consumer price index read as follows:

[http://www.dpor.virginia.gov/uploadedFiles/MainSite/Content/Boards/CIC/CIC%20Max%20Fees%20Disclosure%20Packets\\_Resale%20Certs.pdf](http://www.dpor.virginia.gov/uploadedFiles/MainSite/Content/Boards/CIC/CIC%20Max%20Fees%20Disclosure%20Packets_Resale%20Certs.pdf)

*Because preparation of the disclosure packet/resale certificate—whether by a professional association manager or a volunteer board member—does involve time, effort, and resources, the law allows for reasonable charges to be assessed, but sets a maximum amount for such fees.*

Disclosure packet/resale certificate preparers are allowed to charge no more than the following maximum fees for only the following tasks:

- ♣ \$109.31 ~~\$100~~ for inspection of the lot/unit as necessary and authorized to prepare the packet/certificate
- ♣ \$163.97 ~~\$150~~ for preparation and delivery of the packet/certificate in paper form (two copy maximum) OR \$136.64 total ~~\$125~~ in electronic form (five copy maximum, one each to seller, purchaser, both parties' agents and one other person named by individual making request)
- ♣ \$54.66 ~~\$50~~ for an additional fee to expedite the inspection, preparation, and delivery of the packet/certificate—but only if the preparer agrees to do so (optional at request of seller/agent)
- ♣ \$27.33 ~~\$25~~ for an additional copy of the packet/certificate (optional at request of seller/agent)
- ♣ Actual cost for third-party commercial delivery service to hand-deliver or overnight the packet/certificate (optional at request of seller/agent)
- ♣ \$54.66 ~~\$50~~ post-closing fee charged to the purchaser (collected at settlement) to update ownership records of the association
- ♣ \$54.66 ~~\$50~~ for pre-settlement updates to the packet/certificate (collected at settlement)
- ♣ \$109.31 ~~\$100~~ for additional inspection of the lot/unit if authorized by the association declaration (optional at request of purchaser/agent)

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**Sometime last fall, the comment I show above in red was deleted and the same link to DPOR's website now reads as shown in the attached.**

My goal is to treat self-managed associations the same as professionally-managed.

– HB710 may need to be amended to ensure that all of the fees listed for professionally-managed associations on the attached copy of the DPOR website are included.

## MAXIMUM ALLOWABLE FEES

### POA Disclosure Packets & Condominium Association Resale Certificates

Virginia law caps the amount owners can be charged for information they must provide to potential purchasers about the home, common areas, and community association.

The **Property Owners' Association Act** calls the legally required information a **disclosure packet**, whereas the **Condominium Act** refers to similar content as a **resale certificate**. Because pulling together the materials involves time, effort, and resources, the law allows the preparer to assess **reasonable charges**, but sets a maximum amount for such fees.

**\*NOTE:** For Property Owners' Associations (POAs), the law distinguishes between communities that are professionally managed and those run by volunteer member-owners. *(The law does not make a similar distinction based on how condominiums are managed.)*

**Non-professionally managed POAs** are **not** subject to the CPI-adjusted fees, but rather are governed by § 55-509.7, which currently caps the fee for initial preparation of the disclosure packet at **\$100**, and limits charges for financial updates or inspections at **\$50**.

To account for inflation, the law automatically adjusts the maximum fees applicable to condominiums and professionally-managed POAs\* every five years, based on the U.S. Average Consumer Price Index (CPI). The General Assembly established the initial cap amounts in 2008 (displayed as stricken through), and directed the Common Interest Community Board to calculate the **first five-year adjustment (displayed in bold)**, effective January 1, 2013. The next mandatory CPI adjustment will occur in 2018.

**Preparers** of CONDOMINIUM RESALE CERTIFICATES or DISCLOSURE PACKETS FOR PROFESSIONALLY-MANAGED POAs\* are allowed to **charge no more than the following maximum fees** for *only* the following tasks:

- **\$109.31** ~~\$100~~ for **inspection** of the lot/unit *as necessary and authorized to prepare* the packet/certificate
- **\$163.97** ~~\$150~~ for **preparation and delivery** of the packet/certificate in ***paper form OR \$136.64 total \$125 in electronic form***
- **\$54.66** ~~\$50~~ for an additional fee to **expedite** the inspection, preparation, and delivery of the packet/certificate—but only if the preparer agrees to do so (*optional* at request of seller/agent)
- **\$27.33** ~~\$25~~ for an **additional copy** of the packet/certificate (*optional* at request of seller/agent)
- **Actual cost** for third-party commercial delivery service to **hand-deliver or overnight** the packet/certificate (*optional* at request of seller/agent)
- **\$54.66** ~~\$50~~ **post-closing fee** charged to the purchaser (*collected at settlement*) to update ownership records of the association
- **\$54.66** ~~\$50~~ for pre-settlement **updates** to the packet/certificate (*collected at settlement*)
- **\$109.31** ~~\$100~~ for **additional inspection** of the lot/unit *if authorized* by the association declaration (*optional* at request of purchaser/agent)